Respected Environmental Magazine Accused of Subscription Scam

Alleged Scheme Would Have Cost Subscribers Thousands

By Michael Morse
Washington Staff Writer

Investigators are sifting through evidence that a major environmental magazine, *The Whole Earth Review,* is involved in an elaborate scheme to bilk its subscribers.

The alleged scheme involved a wide-spread mailing of subscription renewal notices containing false information about future price hikes. Apparently, the magazine hoped to scare consumers into subscribing before the fictitious price increases occurred.

The scheme was discovered when one long-time subscriber received, apparently through a computer mix-up, a series of similar notices.

The first week she received a notice that the subscription price was going up to $24, but that if she acted quickly she could take advantage of a "special" price of $21. The next week she received a letter that was identical, except that the new price was $27 and her "special" price was $24. Finally, a week later she received yet another letter and the prices were $30 and $27.

"At first I thought that we had simply entered a period of extremely high inflation, and I was quite ready to blame it on Ronald Reagan," said Sarah Kathan. "After all, the letters were signed 'Sincerely'." Eventually Kathan realized that something was amiss and contacted the authorities.

According to Kathan, "The really puzzling thing is that the subscription card bound into the last issue of the magazine gives the subscription price as $20. I don't think they will catch very many people with this, since anyone could just mail in the card in the magazine. *WER* readers are generally fairly bright."

Other discrepancies were clues to the deception. For example, on the invoice sent out with the phony letters, "gift subscriptions" were still listed for $20, and "foreign subscriptions" were $24, even on the letter listing the domestic price as $27.

Despite these give-aways, investigators were still amazed by the attention to detail exhibited by the alleged scheme. Two issues ago, the magazine ran a pious expose of the tactics of non-profit organizations. It included samples from solicitations, high-lighted to inform consumers of the "tricks" used by unscrupulous non-profits.

The implication was that certain fund raisers were only interested in the net "profit" from a mailing, and were unconcerned about the truth or the paper wasted producing all the "junk mail" (*WER's* term).

It is now thought that this was just another facet of this elaborate ruse. By publishing the articles (and letters) on junk mail, the reader was expected to believe that *The Whole Earth Review* itself was above such shenanigans.

Some experts have suggested that the letters are actually a somewhat inefficient method of determining the subscription price that will yield the highest profit for the magazine. The idea is that *WER* would send a different letter to each group of subscribers, and calculate the percentage that renewed at each price level, and then set the price at the level that resulted in the highest profit.

Kathan scoffed at this notion. "First, it's totally against everything that *WER* stands for. Second, the problems and possibilities for bad feelings are enormous, and the folks at *WER* are just too intelligent to do this. Third, it would never work, since most people would use the subscription card in the magazine."

The experts agreed that the problems were significant. Assuming that the final price turned out to be less than the maximum tested, what would *WER* do about the people who had subscribed at the higher prices? The scam would be out in the open, and refunding the excess might make the subscribers feel not only like guinea pigs in some experiment, but dumb guinea pigs at that.

Kathan surmises that the letters were just a big mistake. "They're under a lot of stress there. They lost their volleyball court, and there's the continued problem of how to describe *WER* to people. They seem to spend a lot of time trying to figure out what *category* they fit in, and I think it just got to them after a while. Anyway, if they think anyone will pay $30 a year for *WER* they're crazy."

❖